

The Hackett Group

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Revisiting the Core Principles of Strategic Sourcing: Best Practices for Success

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Kurt Albertson is a Principal with The Hackett Group with program responsibility for North American Strategic Advisory programs focusing on client relationships, business development, research and program delivery. Mr. Albertson works with over one hundred Global 1000 companies leveraging research and thought leadership to provide strategic direction and best practice business advice within Procurement and Finance.

Prior to joining the Hackett Group Mr. Albertson spent six years as a management consultant in Sourcing and Procurement during which he worked with executives from dozens of large corporations on sourcing, business and technical strategies, organizational and business process design, and cultural change.

Mr. Albertson also has five years of automotive experience working in manufacturing, quality, and operations. In this role he designed and implemented global manufacturing processes and supervised production operations.

Mr. Albertson has been quoted in the Wall Street Journal and other major publications, has been the key note speaker at many national events, and travels globally to support client objectives.

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Session objectives

- Review the core steps of the strategic sourcing process and deliverables
- Review some of the critical enablers for success
- Understand the key tools associated with strategic sourcing and a review on how to apply TCO and Porter's Analysis

Procurement's Strategic Sourcing Process

Definition of strategic sourcing

Strategic sourcing is an approach to supply chain management that formalizes the way information is gathered and used so that an organization can leverage its consolidated purchasing power to find the best possible values in the marketplace.

Source: whatis.com

Top ten priorities for state procurement in 2017 - NASPO

1. Strategic role of state central procurement
2. Procurement workforce professionalization
3. E-procurement/ ERP solutions
4. Measuring performance
5. Effective sourcing strategies
6. Staffing and talent management strategies
7. Information technology
8. Contract management
9. Cooperative purchasing
10. Procurement reform and state-wide centralization

For Procurement organizations there's room to be more strategic in their sourcing approach

How strategic is your strategic sourcing process?



What occurs within 7 stages of procurement's strategic sourcing approach

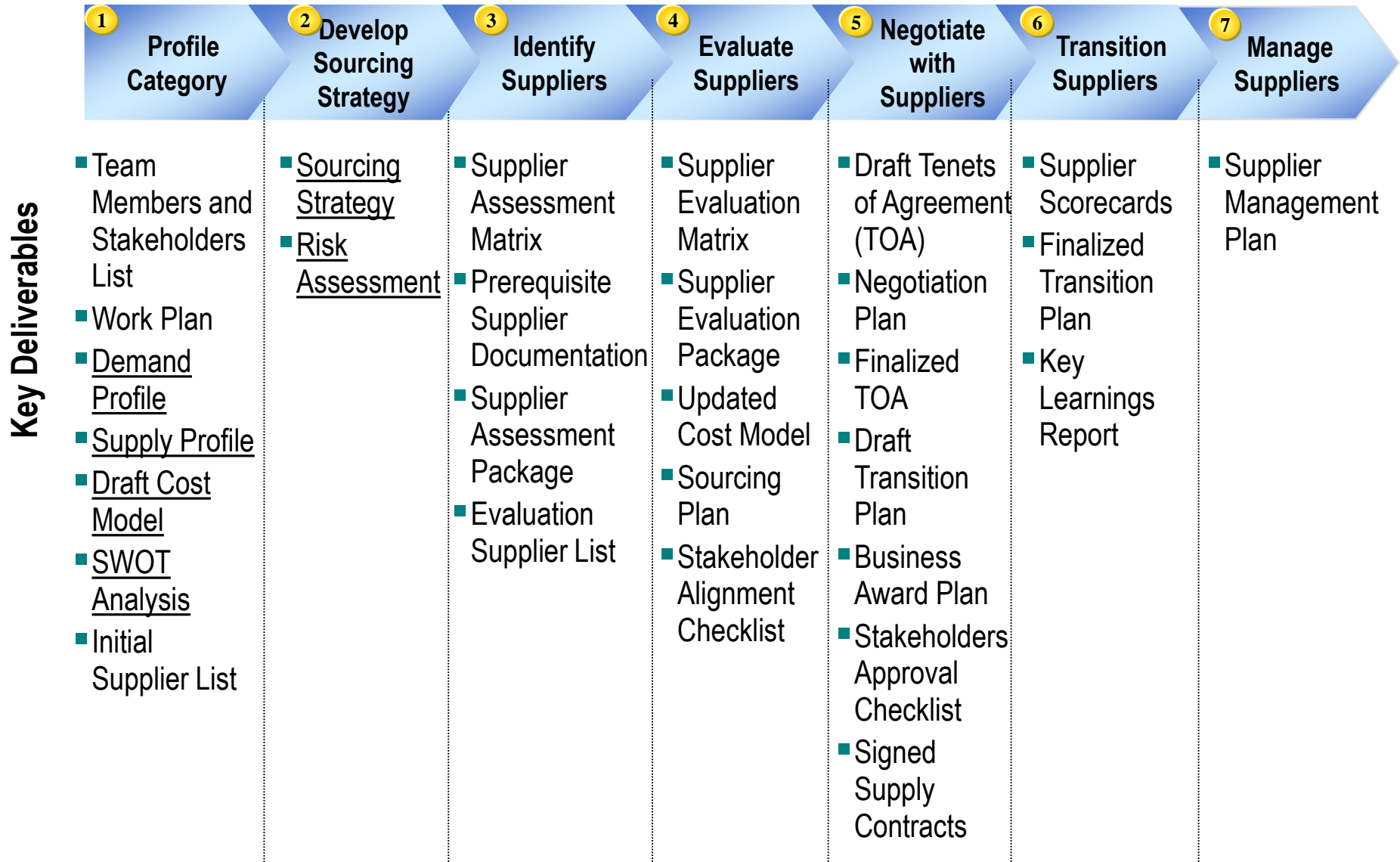
S1 Need Identification	S2 Pre- Solicitation	S3 Solicitation Preparation	S4 Solicitation Process	S5 Evaluation Process	S6 Award	S7 Contract
You receive a requisition and/or a request for product or service	Deciding on which Purchasing Methodology to use	Create Specifications	Acceptance of Bids/Proposals	Analyze Supplier's Responses	Handle Protest(s)	Complete Contract Assessment and Supplier Performance Report
Meet with End-User to gather information	Considering the number of contract renewals to use	Development of Sourcing Strategy	Conduct Pre-Bid and/or Site Visits	Consider Reciprocal Preference Law	Issue Notice of Intent Award (NOIA)	Renewal of existing contract
Decide on specific category (IT, Goods, or Special Services)	Determine which Solicitation Tool that will be used	Deciding whether to use Open or Fixed Contract	Posting of Bid	Solicitation has closed, no additional bids/proposals will be accepted	Document and store contract/purchase details	Create contract administration plan
Review Order of Precedence	Review Delivery Requirements	Writing Specifications	Determine Posting Timeline	Select supplier to award solicitation	Issue Notice of Award (NOA)	Sustain Results

Source: DOAS Strategic Sourcing Process

A generic 7-step Strategic Sourcing process: Key objectives and activities

	1 Profile Category	2 Develop Sourcing Strategy	3 Identify Suppliers	4 Evaluate Suppliers	5 Negotiate with Suppliers	6 Transition Suppliers	7 Manage Suppliers
Key Objective	<ul style="list-style-type: none"> Understand internal spend and external supply market 	<ul style="list-style-type: none"> Evaluate profiles and develop sourcing strategy 	<ul style="list-style-type: none"> Establish selection criteria and conduct supplier assessment 	<ul style="list-style-type: none"> Conduct & evaluate supplier evaluation and finalize sourcing plan 	<ul style="list-style-type: none"> Develop negotiations plan & select supplier(s) 	<ul style="list-style-type: none"> Execute supply agreement & supplier transition 	<ul style="list-style-type: none"> Monitor market and supplier performance
Key Activities	<ul style="list-style-type: none"> Structure & Mobilize Sourcing Team Profile Demand Profile Supply Market 	<ul style="list-style-type: none"> Set Sourcing Objectives Develop Sourcing Strategy Finalize Sourcing Strategy & Align Stakeholders 	<ul style="list-style-type: none"> Prepare Supplier Assessment Execute Supplier Assessment 	<ul style="list-style-type: none"> Customize and Execute Supplier Evaluation Finalize Sourcing Plan 	<ul style="list-style-type: none"> Plan/ Execute Negotiations and Select Supplier(s) Plan Supply Transition Award Business 	<ul style="list-style-type: none"> Develop Scorecards Execute Transition 	<ul style="list-style-type: none"> Establish SRM Governance Manage Supplier Performance

A generic 7-step Strategic Sourcing process: Key deliverables



We spend the bulk of our time in defining requirements, evaluating suppliers and negotiating contracts

Distribution of time spent across sourcing processes:



Critical Enablers of the Strategic Sourcing Process

While strategic sourcing skills are critical the most widely needed skills in procurement are business skills

Critical procurement skills

■ GENERAL BUSINESS SKILL ■ PROCUREMENT-SPECIFIC SKILL



Business Skills are generally more transferable across functions and roles while Procurement skills tend to be more relevant to Procurement and related roles

Scale:

Low = A critical skill for <25% of positions

Medium = A critical skill for 25-50% of positions

High = A critical skill for 51-100% of positions

To be viewed by stakeholders as more strategic (e.g. trusted advisor) we need well developed category strategies

Capabilities that will help the most to achieve a Trusted Advisor status



Working cross-functionally is an important enabler for the strategic sourcing process

Strategic Sourcing Cross-Functional Stakeholders

- Senior Management
- Sourcing & Procurement
- Finance
- Legal
- Research & Development
- Operations
- Marketing
- Supplier Diversity

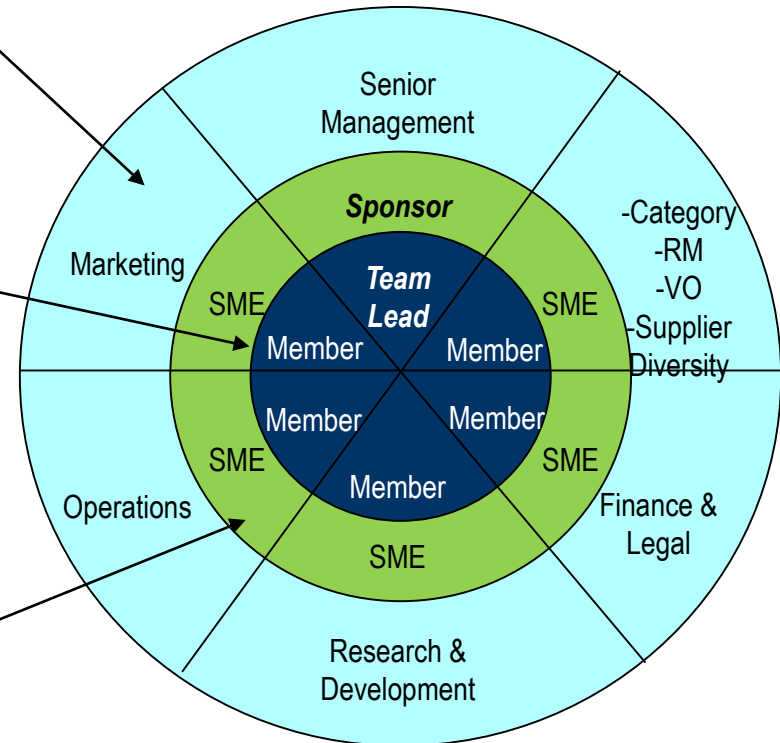
Core Team

- Team Lead: Responsible for the day-to-day direction of and involvement in all stages of Sourcing Team
- Team Member: Responsible for representing key stakeholder interests

Sponsorship & Subject Matter Experts (SME)

- Sponsor: Responsible for general oversight of strategic sourcing process.
- SME: Responsible for providing expert level input (e.g., legal, quality, operations, etc..) as requested by the Sourcing Team.

Strategic Sourcing Team Structure



What is the relevance of Crowdsourcing within the strategic sourcing process?



In 1906 there was a county fair where attendees were invited to guess the weight of a large ox. Excited at the chance to win the cash prize, over 800 people took a guess. Not one guess was right, but afterwards a statistician took a look at all of the answers and discovered something remarkable: the average of all the guesses was 1 pound less than the actual weight of the ox. The take away: a crowd can be much smarter than any one of its members, even if they aren't working together.

Critical Tools for Taking a Strategic Approach

Tools that help drive a successful strategic sourcing process

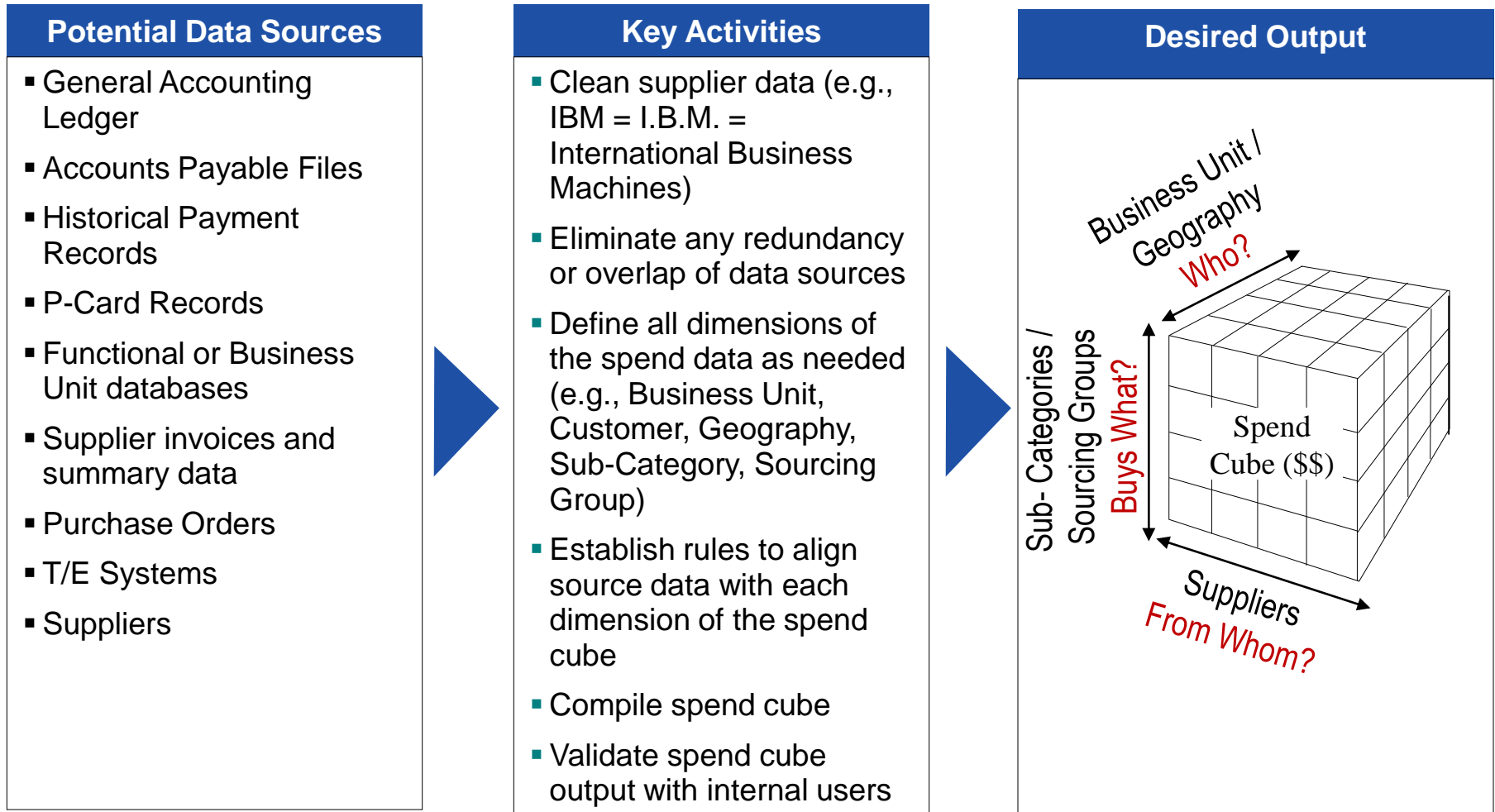
- Spend Analysis (Demand Profile)
- Market Analysis
- Strengths, Weaknesses, Opportunities, and Threats (SWOT)
- Total Cost of Ownership (TCO)*
- Risk Assessment
- Porters Five Forces (Quadrant Analysis)*

*We will walk through an exercise

These tools build upon one another to arrive at the category strategy and are best applied through facilitated exercises with stakeholders

Spend analysis looks at who is buying what from whom?

A spend cube is multi-dimensional view of all external vendor spend categorized by commodity, supplier and a regional / organizational component



What sources do you use?

What level of visibility do you have?

What? Who? From Whom?

Market analysis seek to understand key aspects of the external supply market that provides the category

1. Industry Level Analysis – explores the trends, technologies, cost drivers, etc.. of the supply market
2. Supplier Level Analysis – identifies key and niche suppliers, profiles capabilities, strengths, and weaknesses of suppliers
3. Sourcing Strategy Best Practices – document sourcing strategy levers being used by other companies with supply market

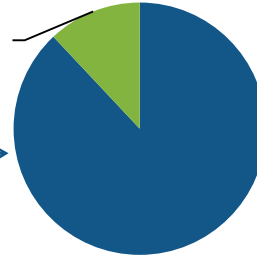
Industry Level Analysis: Higher demand for integrated facilities management is expected to outpace overall outsourced growth

Global Outsourced FM Market (2011) by Service Types

Global Outsourced FM Market (in \$ Billion)

2011 \$535.0

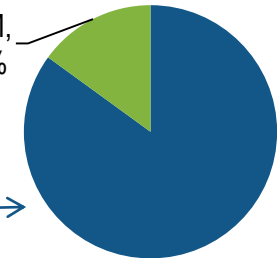
I-FM,
12%



Global Outsourced FM Market (2017 (F)) by Service Types

2017 (F) \$641.1

I-FM,
15%

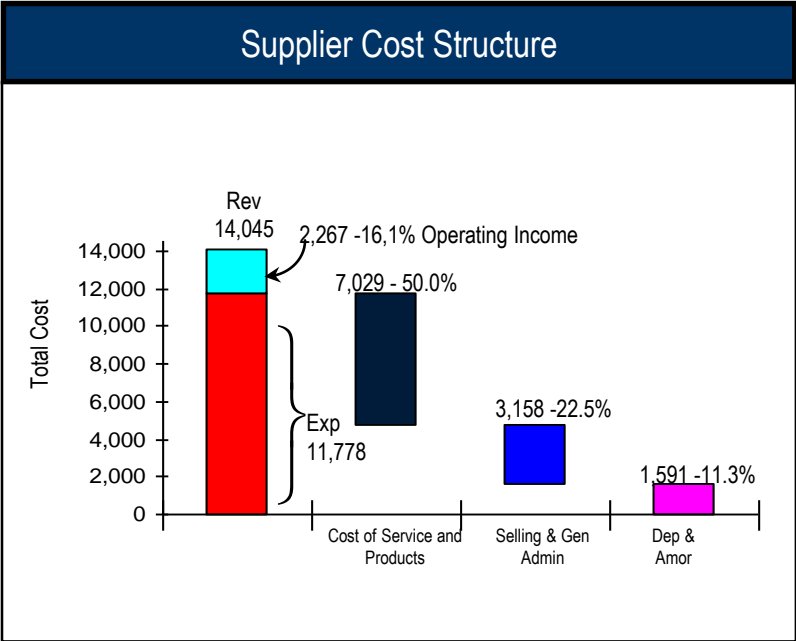


Source: Frost & Sullivan

- Worldwide total outsourced FM market valued at \$535 billion in 2011; market expected to grow to more than \$640 billion in 2017
- I-FM market generated revenue of \$64.2 billion in 2011, which is 12% of the total outsourced market. It is expected to grow to \$96.2 billion in 2017.
 - Both mature and emerging economies will see rising demand for I-FM services mainly because of its high cost-savings potential
 - Mature economies like North America and Europe make up the major share of the global I-FM market and are expected to contribute more than two-third of the market in 2017
 - Despite high growth rates, total contribution to global market by emerging economies like India and China remains low*
 - Service providers differentiate their service offerings by providing value-added services like energy management

* Note: See appendix for additional data on I-FM on a regional basis

Supplier Level Analysis: In-depth analysis of each major supplier in a category helps identify potential opportunities and sources



Supplier Key Financial Indicators

	2006	2007	% Change
Revenue	12,765.1	14,044.7	10.0
Long Distance	7,277.4	8,302.1	14.1
Local and Other	4,719.4	5,166.1	9.5
Emerging Business	0	0.5	
Product Dist. & Dir. Pub.	1,148.0	1,225.9	6.8
Other	(379.7)	(649.9)	(71.2)
Net Income	395.3	1,183.8	199.5
Assets	15,195.9	16,953.0	11.6
Return on Assets	6.3	7.4	17.5
Return on Equity	8.6	17.97	109.96
Return on Revenue	3.1	8.4	170.97
Operating Expense	10,930.8	11,777.5	7.7
Employees	48265	48,000	(0.5)
Stock price per share	32.69	39.88	22.0

- ### Key Business Issues
- High level of customer defection
 - Poor integration of X
 - Consolidation of industry players



Sourcing Strategy Best Practices: Examine the practices that other organizations have leveraged to deliver value in the category

- Development of long-term collaborative relationship with facility service providers to reduce cost
- The degree of integration with service provider should depend on the complexity of services, not on the volume of purchase
- Rationalize unnecessary service requirements for cost savings
- Leverage suppliers that are able to service the entire enterprise to receive favorable pricing
- Establish Key Performance Indicators (KPIs) to manage overtime paid and productivity levels
- Perform predictive modeling to forecast and plan for events, ensuring budgeting execution

A Strengths, Weakness, Opportunities and Threats (SWOT) analysis helps uncover potential value levers around the category

<div>Internal (Within the Buyer)</div>		<div>External (Outside the Buyer)</div>	
Strengths		Opportunities	
<ul style="list-style-type: none">▪ Buyer characteristics that create or enhance the Buyer's power in the market		<ul style="list-style-type: none">▪ External market influences that present a potential benefit to the Buyer	
Weaknesses		Threats	
<ul style="list-style-type: none">▪ Buyer shortcomings that reduce or eliminate the Buyer's power in the market		<ul style="list-style-type: none">▪ External market influences that pose a risk to the Buyer	

Facilitate a discussion with stakeholders around their perspectives for each of the four areas and then think about how strategy will leverage

Total cost of ownership analysis models all relevant costs associated with a sourcing decision for a material or service

▪Supplier Price and Terms

- Unit price charged by a supplier to create a material or service ready for delivery and transaction terms for payment

▪Delivery Costs

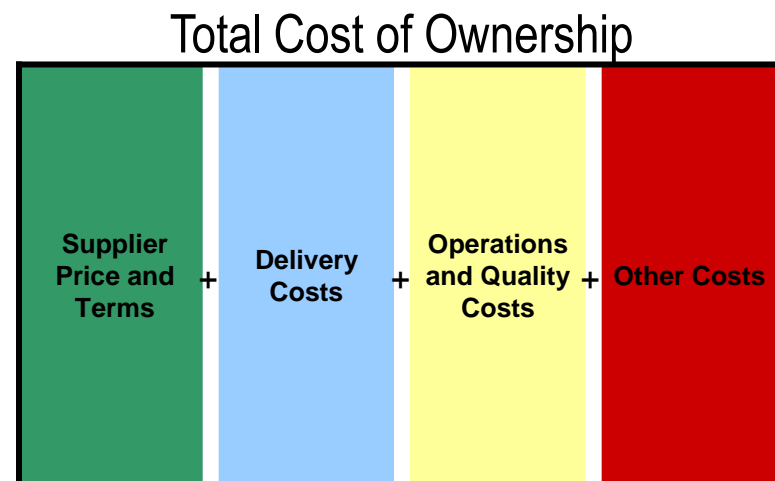
- Cost to deliver a completed material or service to its internal point of use

▪Operations and Quality Costs

- Operational cost and supporting infrastructure implications associated with purchasing a material or service from a supplier
- Quality cost implications of purchasing a material or service from a supplier

▪Other Costs

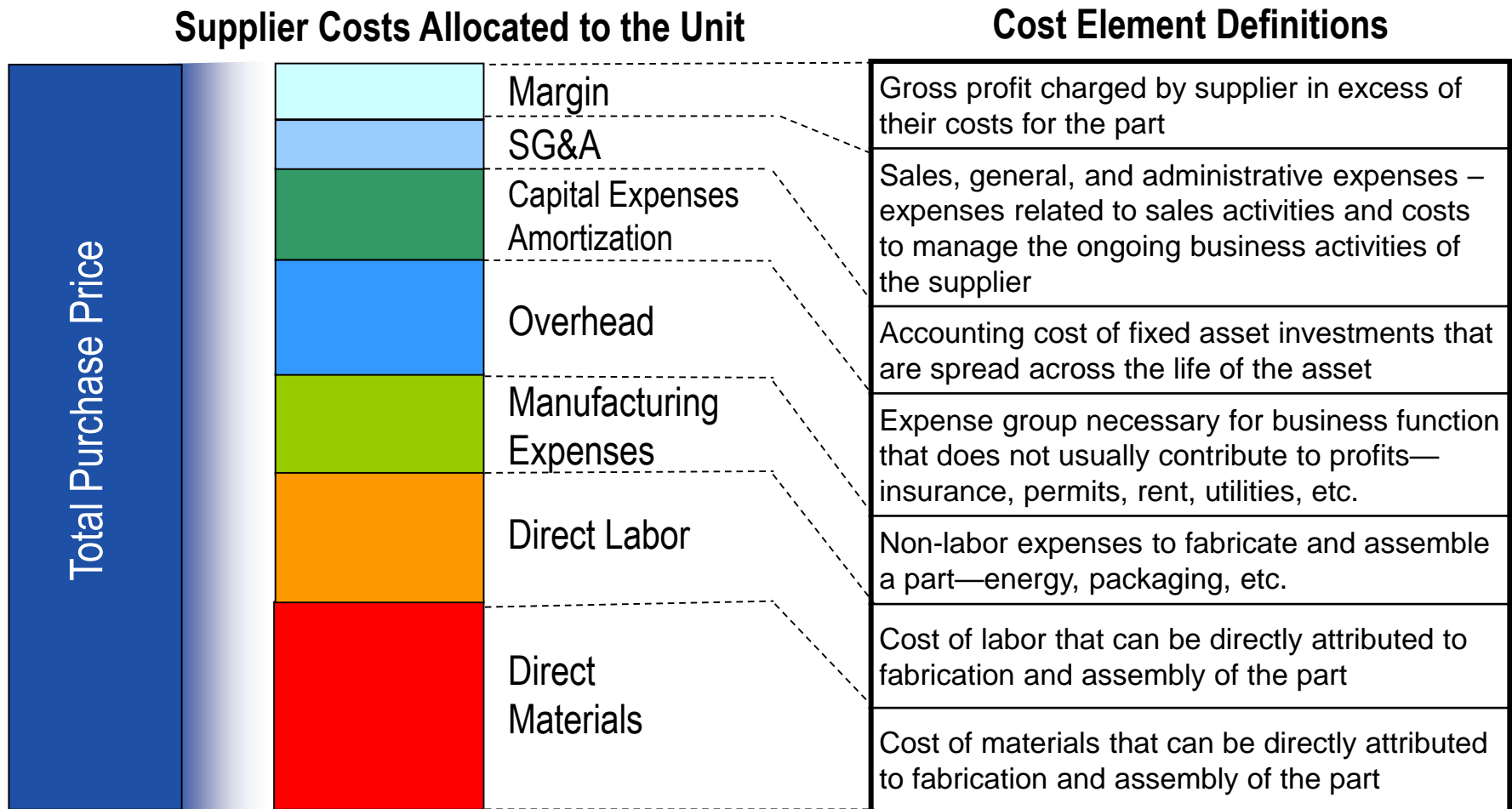
- Miscellaneous standard and situational costs associated with purchasing a material or service from a supplier



By understanding the overall cost of a category we can align our strategy to deliver on a broad set of stakeholder business objectives

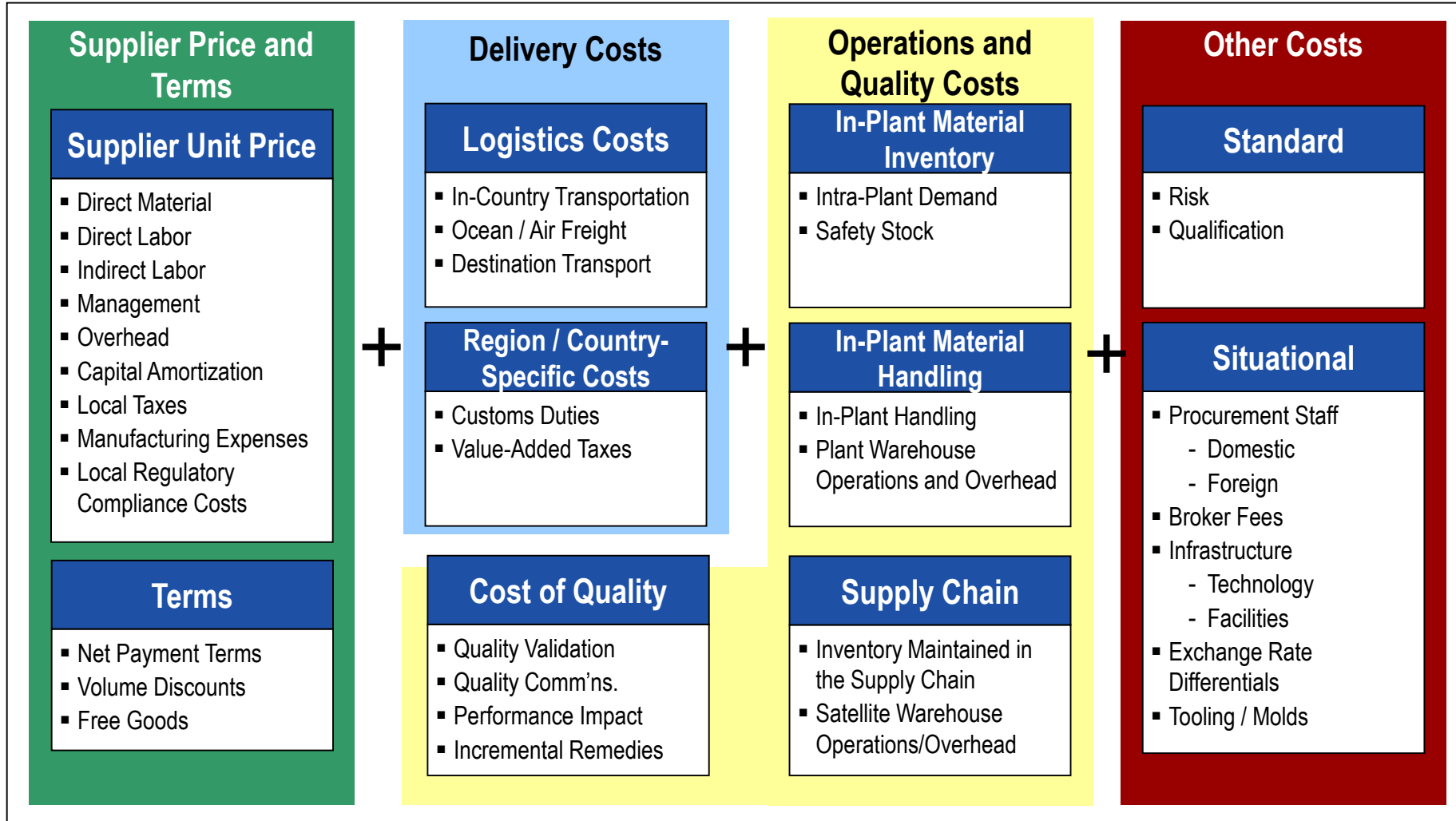
The first step of the TCO is to breakdown the total supplier purchase price into the supplier's cost elements

Example

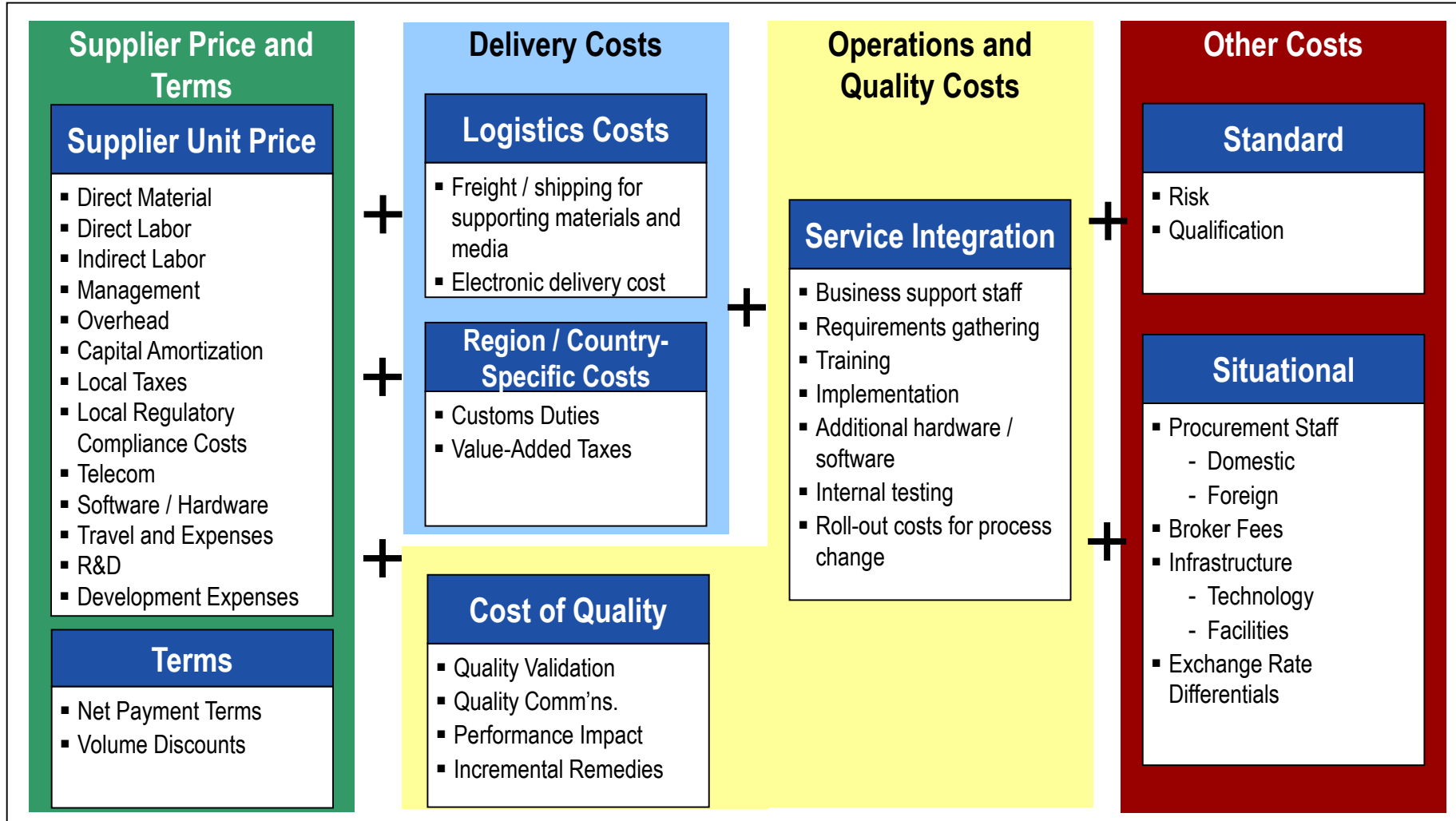


Understanding supplier's cost elements as an allocation against the total purchase price helps develop our strategy and focus discussions

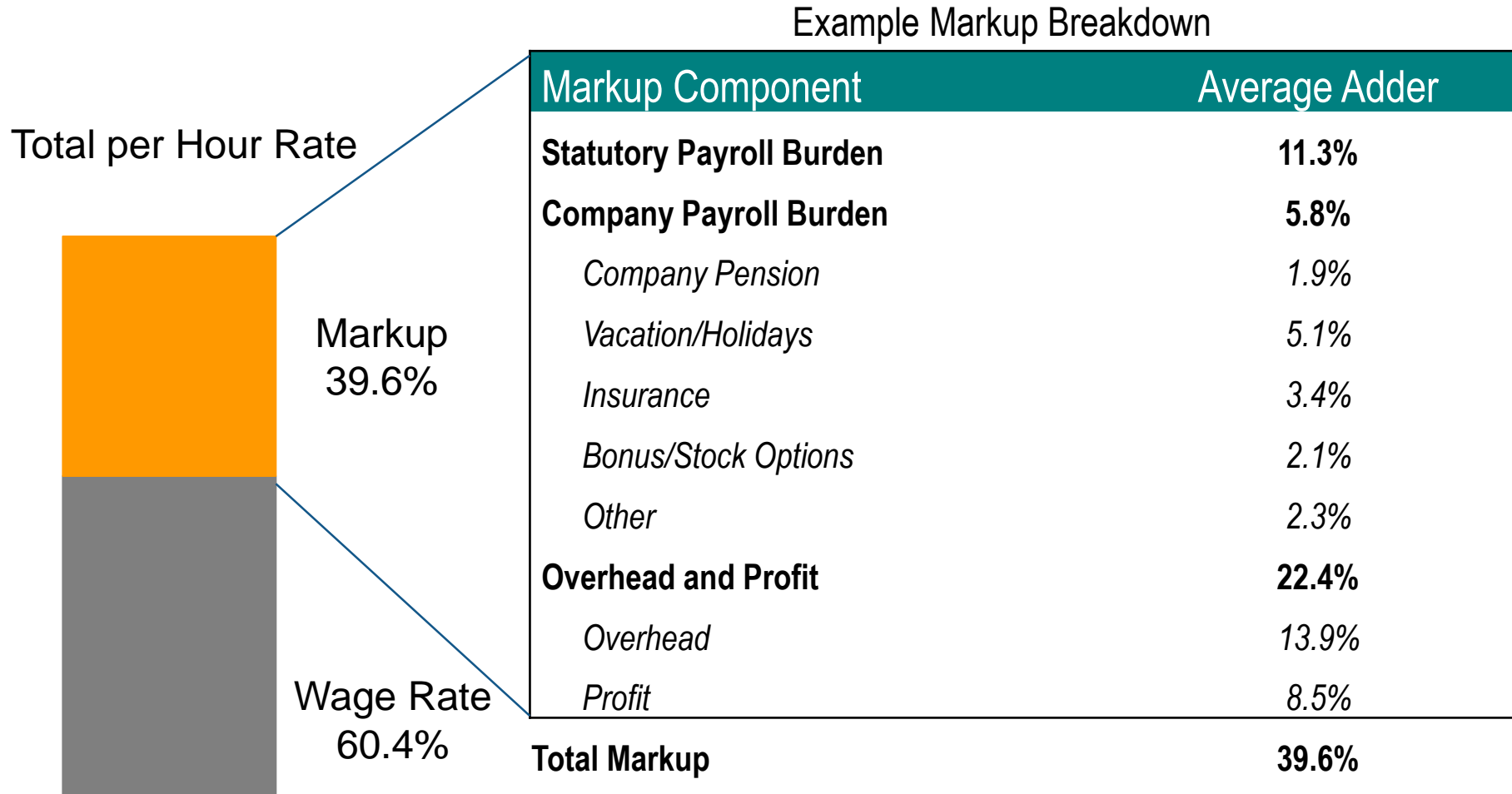
The second step is to identify and estimate the other cost component related to the category – Material Example



The second step is to identify and estimate the other cost component related to the category – Services Example



Example of breaking down the “Supplier Price” for staff augmentation services



Understanding the price paid breakdown helps us with strategy, negotiations and collaborating with suppliers and stakeholders on value opportunities

Example of breaking down for other TCO elements for staff augmentation services

Delivery Costs		Operations and Quality Costs		Other Costs	
Onboarding Costs	Mod	Workspace Costs	Mod	Loss of Knowledge	Sign
Acquisition Costs	Min	Productivity Ramp	Mod	Co-Employment Risk	Sig
Background Check	Min	Off-Boarding Costs	Mod	Data Security Risk	Sign
Drug Testing	Min	Rework/Quality Costs	Mod	Retention Costs	Mod
Training	Mod	Management Costs	Sig	Over Spec. Costs	Mod
Travel/Moving Costs		Invoice and Payment	Mod		

Cost Impact

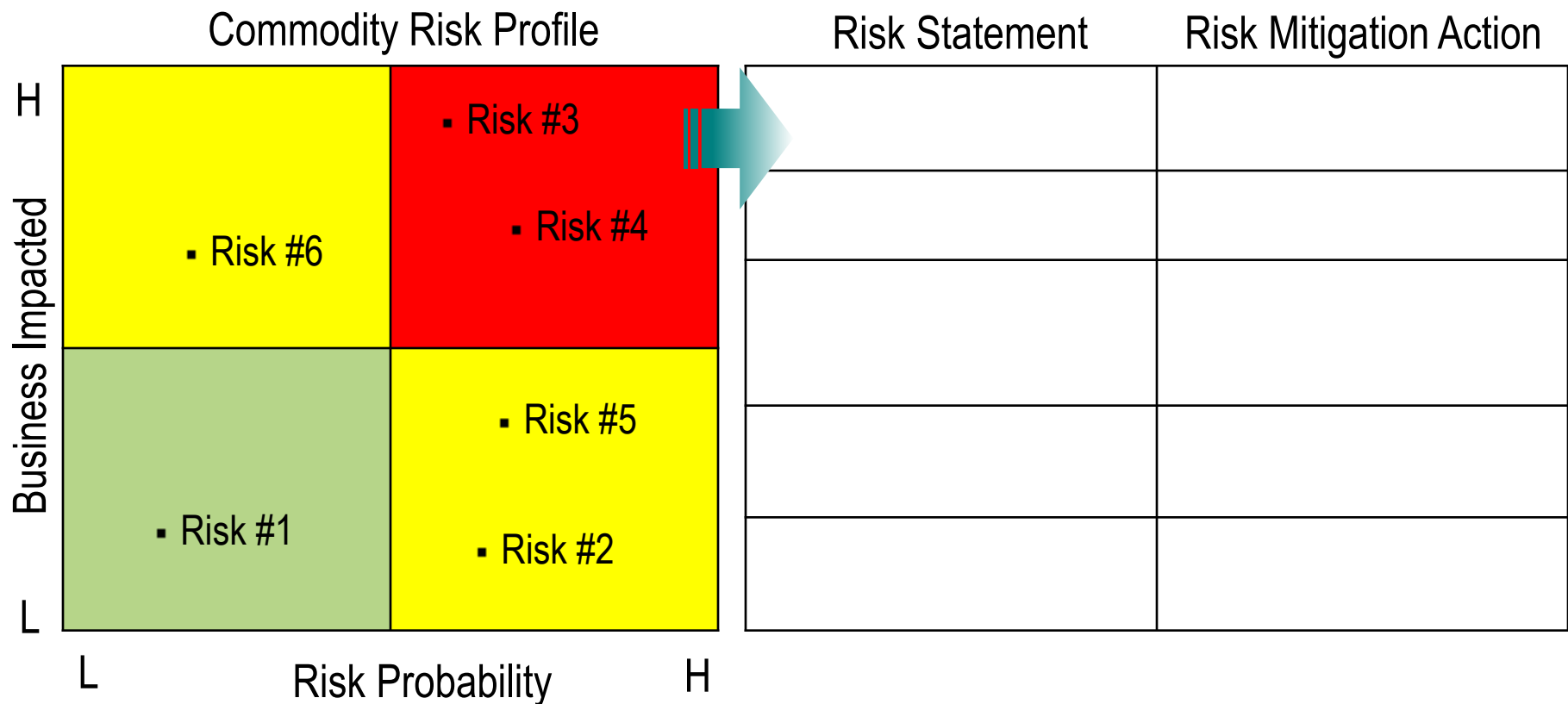
Sign – Significant

Mod – Moderate

Min – Minimal

We generally fail to understand the true impact of these other cost elements leading to internal stakeholder dissatisfaction or other long-term problems

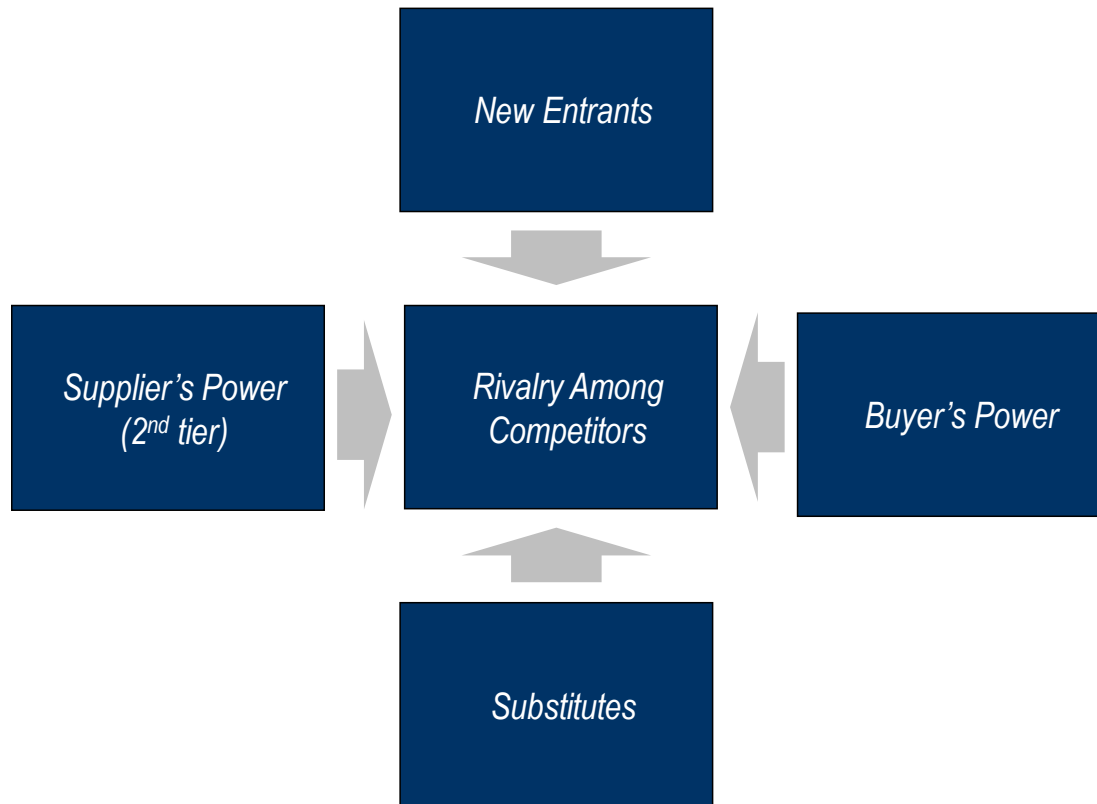
A risk assessment identifies risk and then assesses the probability of occurrence and the impact



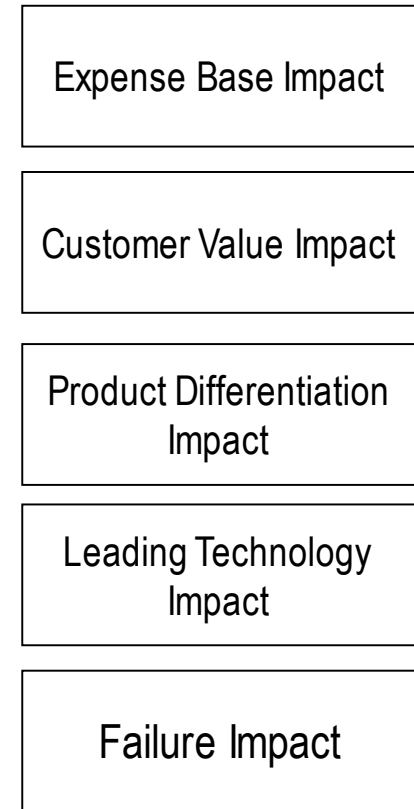
For all high risk/impact factors we must identify the risk and then develop a risk mitigation strategy that can be addressed thru the sourcing strategy

Porter's analysis is a formal approach to understanding the category's supply market and business impact

Five Market Forces Analysis

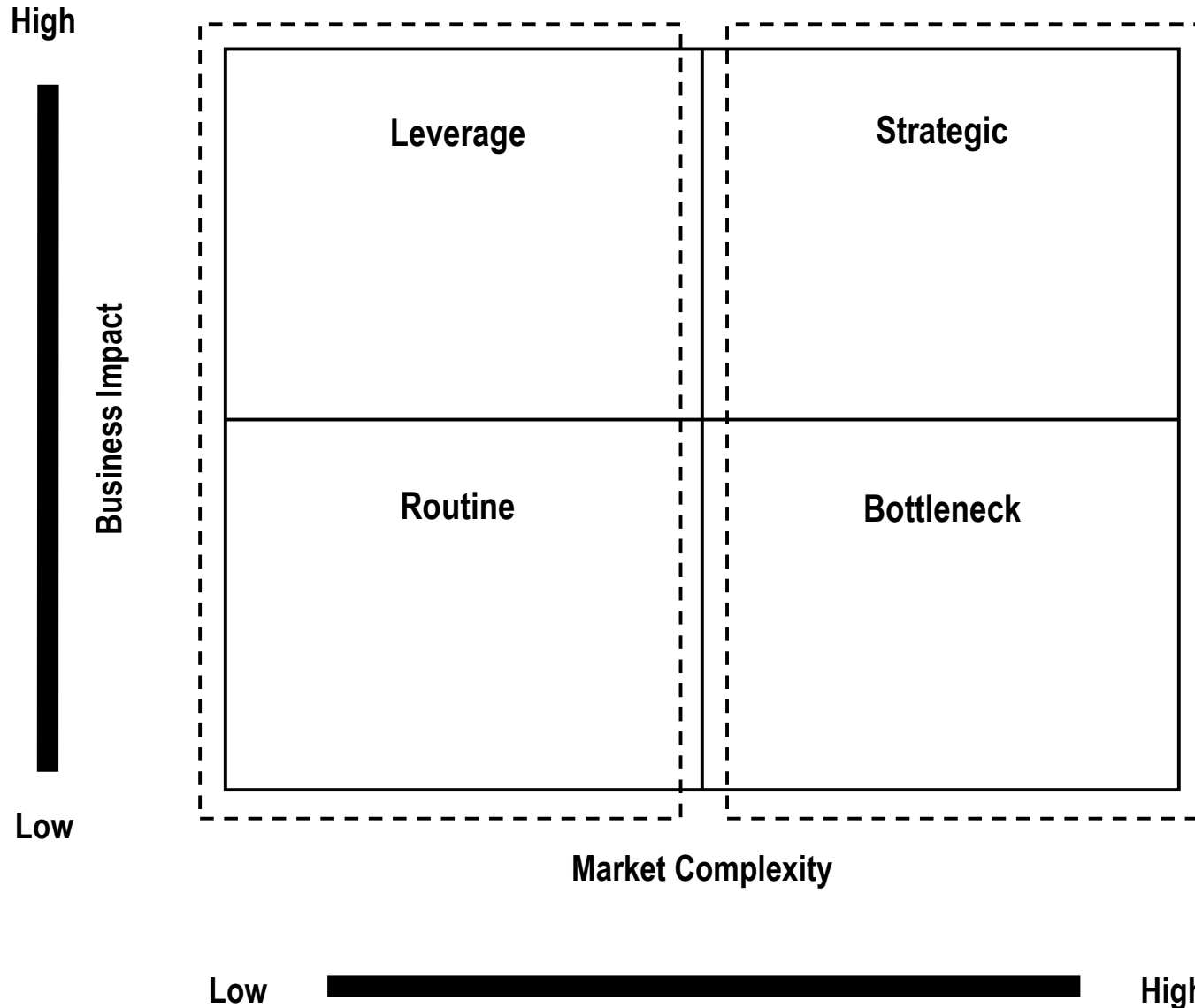


Business Impact Analysis

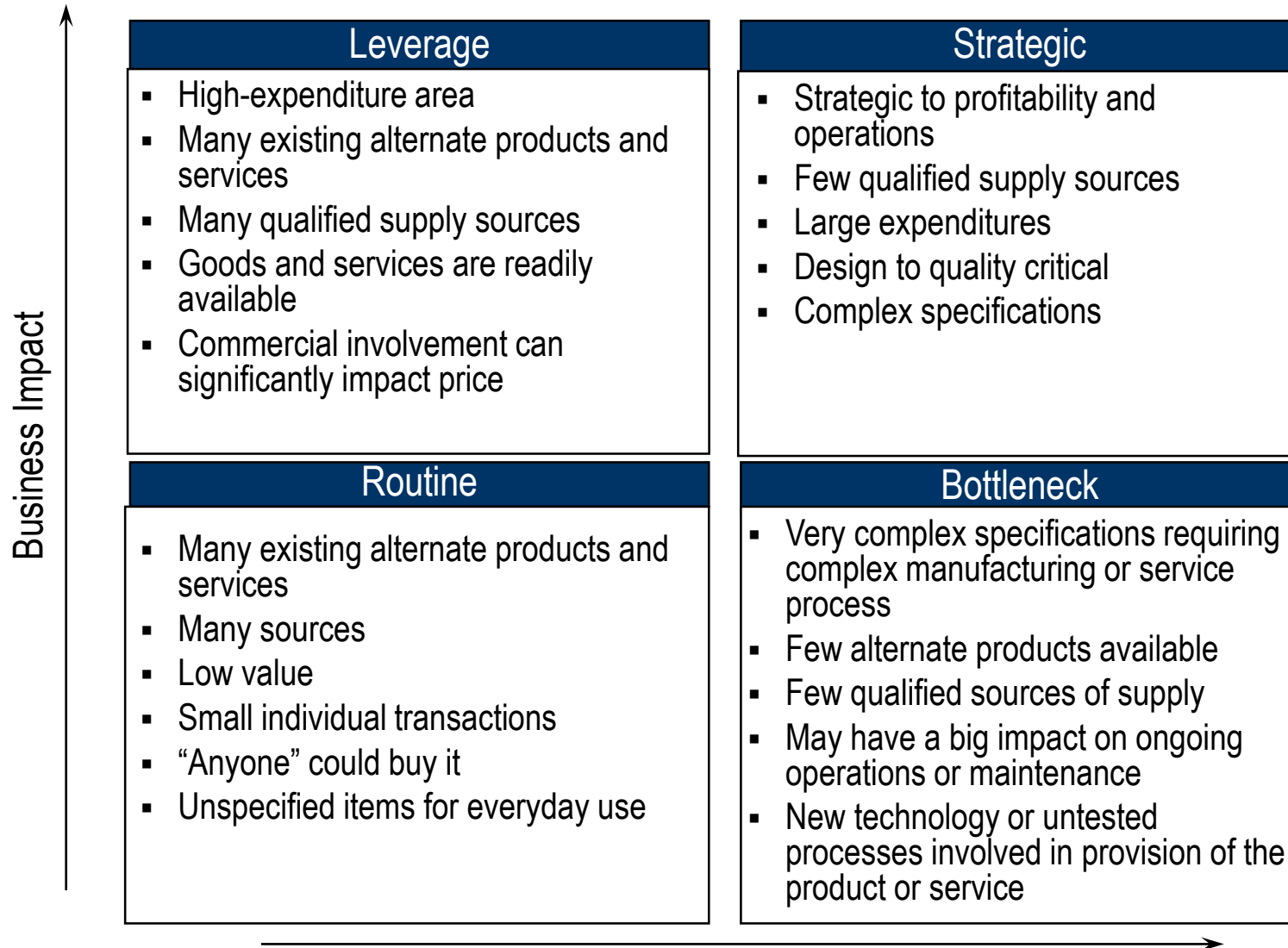


Low ————— High
(1) (5)





































The results of Porter's analysis identifies where on a two-by-two sourcing matrix a category most closely aligns



Categories within each of the quadrants generally have similar characteristics

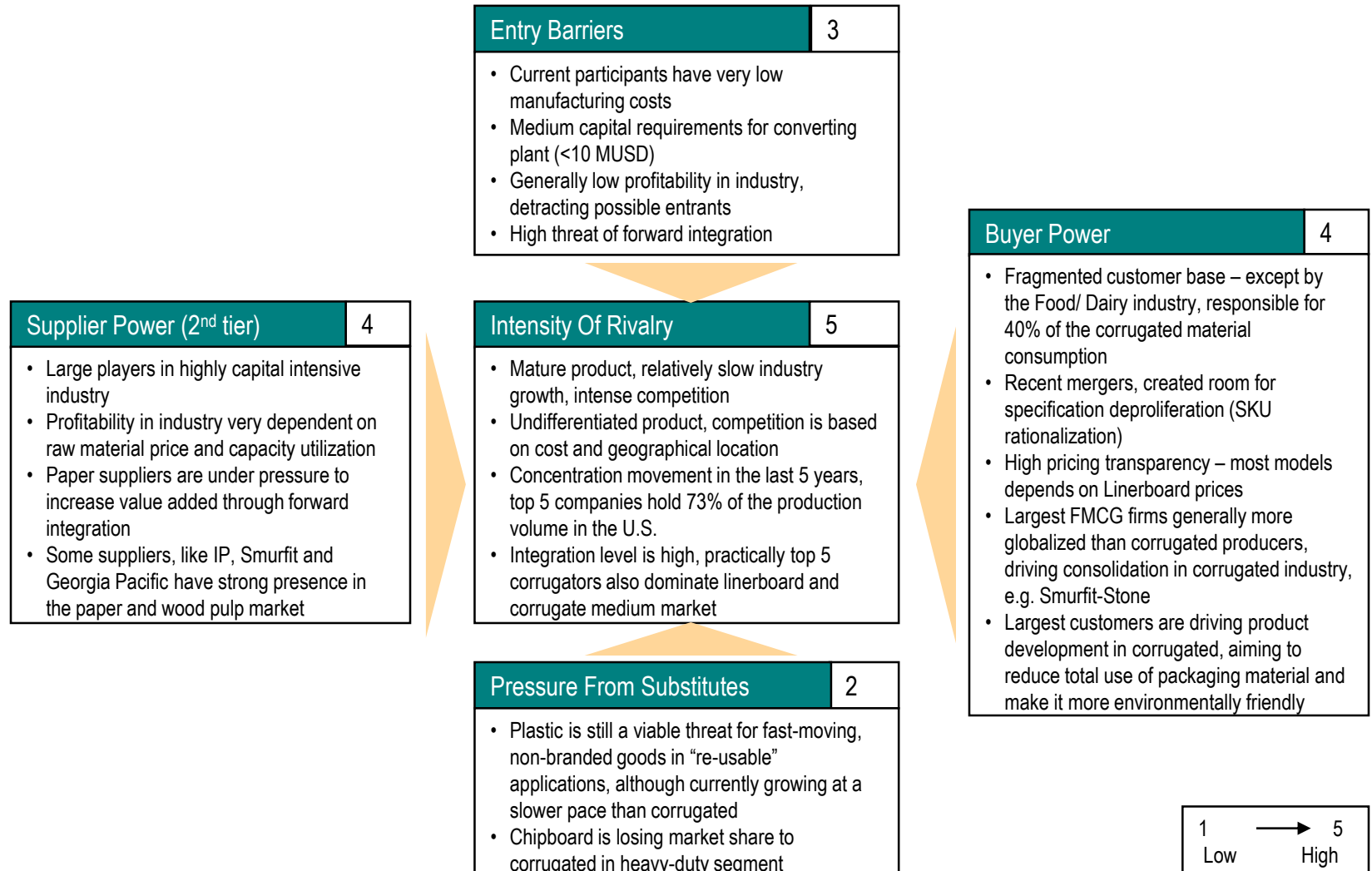


And therefore, similar opportunistic value levers for optimizing the category sourcing strategy

Sourcing Matrix Quadrant Placement	Purchase Demand Management			Supply Base Management			Total Cost Management		
	Reduce Consumption	Consolidate Spend	Optimise Specification	Restructure Supply Base	Increased Competition	Restructure Relationship	Optimise Total Supply Chain Costs	Reduce Lifecycle/ Total Ownership Costs	Eliminate/ Reduce Transactions
Leverage									
Routine									
Bottleneck									
Strategic									

 High Opportunity  Low/No Opportunity

An example output of five-forces market analysis from the corrugated industry



Let's go through an example: IT Outsourcing Infrastructure

- **The reasons for outsourcing IT infrastructure**
 - Reduce costs, improve service quality, and keep technology up-to-date while spreading upgrade costs over the life of the contract
- **Market overview**
 - Globally, the IT outsourcing (ITO) industry was estimated at \$251.7 billion in 2012, and the market is expected to grow at a CAGR of 3.3% for the period 2011-2015
 - IT infrastructure outsourcing constitutes 81.9% of the overall ITO market
- **Keys to IT infrastructure outsourcing success**
 - Establish an operational baseline and clear business objectives prior to outsourcing
 - Select the appropriate sourcing model
 - Manage the risk associated with outsourcing more-critical operations
 - Govern the end-to-end outsourcing life cycle within a structured framework

Market Force 1: Rivalry among competitors within supply market

Market Competition Is High If...	Yes	No	N/A
<ul style="list-style-type: none"> ▪ Numerous or equally balanced competitors within supply market exists ▪ Slow industry growth is occurring in supply market ▪ High fixed or storage costs exists within the supply market ▪ Lack of differentiation or low switching cost exists between suppliers ▪ Capacity additions to the supply market must be made in large increments ▪ High exit barriers exists for suppliers to leave the industry (e.g. environmental, regulatory) 	<p>★</p> <p>★</p> <p>★</p> <p>★</p>	<p>★</p> <p>★</p>	

Overall Rating: Rivalry among competitors



Market Force 2: Barriers to new entrants within supply market

Barriers To Entry are high if...	No	Yes	N/A
<ul style="list-style-type: none"> ▪ Economies of scale (i.e., computer industry) exist within supply market ▪ Differentiation of products enabled by supplier (i.e., cosmetics) ▪ Significant capital requirement are needed for suppliers (i.e., oil extraction) ▪ Switching cost to new supplier are high (i.e., chemical industry) ▪ Access to distribution channel are limited (i.e., food industry) ▪ Cost disadvantages independent of scale <ul style="list-style-type: none"> ▪ Product know-how or design characteristics exists ▪ Favorable access to raw materials by suppliers ▪ Favorable locations for suppliers exist ▪ Government policy (i.e., regulated industries, railroads, trucking) 	 	★ ★ ★ ★ ★	

Overall Rating: Barriers to new entrants

Low
(1)



High
(5)

Market Force 3: Opportunity for substitution supplier products or services

The opportunity to substitute products/services	Yes	No	N/A
<ul style="list-style-type: none"> ▪ Is the relative price of a substitute product/service low compared to existing? ▪ Is the cost of switching to the substitute low? ▪ Is the buyer's propensity to switch low? 	★	★ ★	
For the most likely substitute products/services	Yes	No	N/A
<ul style="list-style-type: none"> ▪ Subjected to trends improving their price value ratio (i.e., catalytic converters...) ▪ Produced by industries earning high profits encouraging new entrants (i.e., computers) 	★	★	

Overall Rating: Threat of Substitutes

High
(5)



Low
(1)

Market Force 4: 2nd Tier Supplier's power over Buyer

A Supplier Group Is Powerful If The Following Apply	No	Yes	N/A
<ul style="list-style-type: none"> ▪ It is dominated by a few suppliers and is more concentrated than the industry it sells to ▪ It does not have to contend with other substitute products/services for sale to the industry ▪ The industry is not an important customer of the supplier group ▪ The supplier group's product is an important input to the buyer's business ▪ The supply group has built up switching costs (product/service differentiation) ▪ The supply group poses a credible threat of forward integration 	<p>★</p> <p>★</p> <p>★</p>	<p>★</p> <p>★</p> <p>★</p>	

Overall Rating: Suppliers Power

Low
(1)



High
(5)

Market Force 5: Buyer's power relative to supply market

A Buyer Is Powerful If...	Yes	No	N/A
<ul style="list-style-type: none"> It is concentrated or purchases large volumes relative to the supplier's sales The product/service purchases from the industry represent a significant fraction of the buyer's spend The product/service it purchases from the industry are standard or undifferentiated It faces few switching costs to move suppliers It earns low profits leaving little opportunity for suppliers to aggressively increase price It poses a credible threat of backward integration (make/buy) into supply market The supply industry's product/services is unimportant to the quality of its products/service It has full information about supply market 	<p>★</p> <p>★</p>	<p>★</p> <p>★</p> <p>★</p> <p>★</p> <p>★</p> <p>★</p>	

Overall Rating: Buyer's Power

High
(5)



Low
(1)

Business Impact analysis looks at the impact of the category on our overall business/organization

		No	Yes
<ul style="list-style-type: none"> Does the total purchase cost for the Category represent a major part of the company's total external expenditures? 	Expense Base Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Do customers perceive that the Category provides significant value? 	Customer Value Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Does the Category differentiate the end product in an important way? 	Product Differentiation Impact	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Does the Category provide access to leading technology critical to the value your customer perceives? 	Leading Technology Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Would a Category's failure or shortage affect your customer's satisfaction? 	Failure Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Overall Business Impact:

Low
(1)



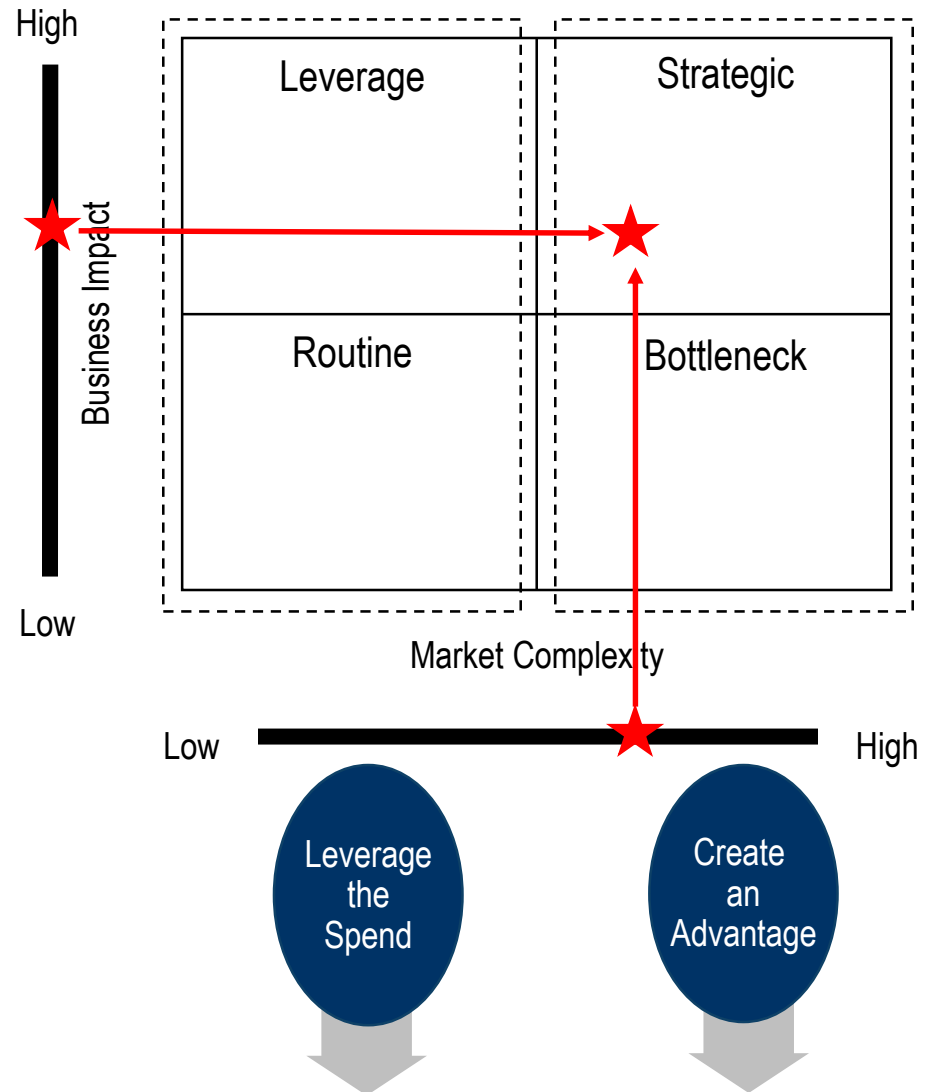
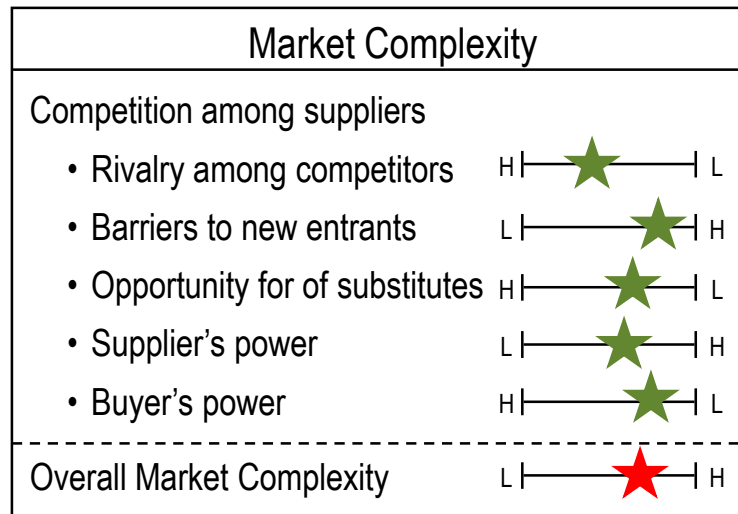
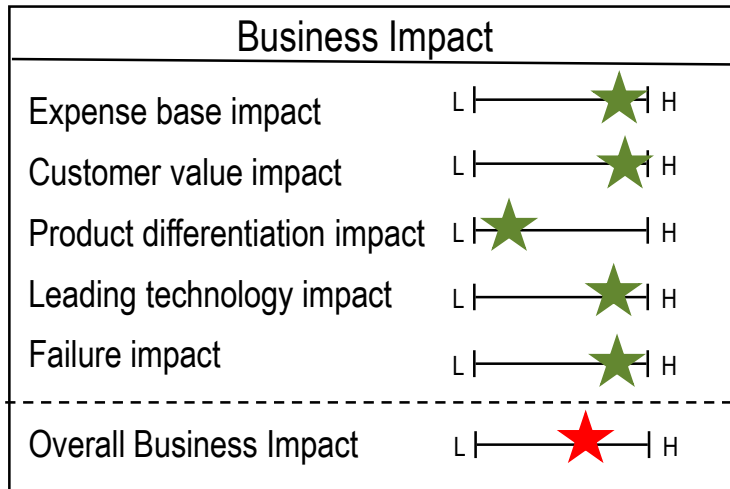
High
(5)

Changes in the business environment: Assess to insure no major changes that would impact analysis

Business Requirements/Trends <ul style="list-style-type: none">• Redistribution of the value-added component of the value chain (integration/de-integration)• Cross business integration• Globalization• Shifts in supply chain leadership (e.g., from manufacturing to retailers)	New End Products/Customer <ul style="list-style-type: none">• New market segmentation• New market entry• Changing customer needs• New functions of use• Product/service extension and bundling
Technology Changes <ul style="list-style-type: none">• Product/process technology breakthrough• Technology transfer from different business• Complementary product/process technology improvements	Macroeconomic/Regulatory Factors <ul style="list-style-type: none">• Safety regulation changes• Anti-pollution legislation evolution• Trade regulation changes• Political environment uncertainty

It is always good to make sure there are no expected changes to the market or category usage that would significantly impact analysis

Plot results of Business Impact and Market Complexity on Two by Two



“Strategic” category objectives are around product/service differentiation and “Best of Breed” suppliers

Emphasis

- Partnership / alliance or compensating strategy
- Internal intelligence of product/service cost drivers and market
- Continuity of supply
- Supplier / customer cross functional integration
- Total cost approach
- Significant joint cost reduction and performance improvement initiatives

Supplier Characteristics

- Technology / market leader
- Sophisticated support systems
- Financially stable
- Compatible business strategies
- Managed supply chain

Leading Practices

- Long term / service life agreements
- Joint product/ process design
- On-site representation
- Seamless supply chain processes between companies I.e. integrate supplier and customer processes
- System linkages
- Supplier manages product / service
- Prepare contingency plans (back-up supply and exit strategies)

“Leverage” is about minimizing total cost

Emphasis

- Total cost reduction / value enhancement:
 - Process improvements
 - Design changes e.g. standardization, consolidation
 - Procurement process e.g. spot-buying, competitive tendering, trade
- Internal and external intelligence of product/ service cost drivers, market trends, new entrants
- Rationalization (‘right-size’) of the supplier base while maintaining multiple qualified sources
- Co-ordination of requirements to maximize buying power

Supplier Characteristics

- Comprehensive Sourcing Group coverage
- High, consistent quality levels
- Electronic ordering capability
- Supplier services provided e.g. inventories, maintenance

Leading Practices

- Competitively bid agreements
- Establish leverage position
- Create consortium procurement
- Break-out transportation costs/ manage separately
- Pursue value-added services from suppliers that reduce cost e.g. supplier managed inventory
- Use flexible agreements (within qualified supplier base)
- Respond rapid to market changes

“Routine” is about minimizing cost of acquisition and supplier consolidation

Emphasis

- Directionally correct / common sense decisions
- Speed-to-implementation
- Supplier consolidation
- Flexible agreements
- Minimal investment in inventory / eliminate safety stock
- Streamlined and simplified processes (procurement, A/P, receiving) :
 - Elimination of paper and electronic paper equivalent
 - Automation
 - Minimization of approvals
 - Periodic audits vs. detailed reviews
 - Supplier provided usage reports

Supplier Characteristics

- Comprehensive Sourcing Group coverage without substantial inventory investment
- Efficient order to delivery process
- High service ratings
- Flexible automated support systems

Leading Practices

- Long-term, competitively bid / negotiated supplier agreements
- Suppliers own specifications
- Supplier incentive to substitute / standardize; use industry specifications
- Reduce inventory e.g. supplier managed inventories
- Outsourcing
- Consortium procurement
- Budget holder empowerment e.g. end-user release and decentralization
- Electronic catalog ordering

“Bottleneck” is about minimizing items and ensuring supply continuity

Emphasis

- Research opportunities to eliminate, substitute or standardize
- Research alternatives or ability to extend to other products
- Reduce life cycle costs
- Integrate with other agreements
- Aligned with proactive suppliers
- Reduce maintenance and operating costs
- Service level agreements

Supplier Characteristics

- Niche market/ product supplier
- Advanced design/ technology

Leading Practices

- Life of product / long-term agreements
- Provide to supplier reason to become ‘preferred’
- Knowledge/ technology transfer
- Market exposure
- Expand relationship
- Process improvement
- Product development
- Ownership stake
- Managing the whole supply chain
- Development of new suppliers

Key take-aways

- Strategic sourcing provides a formal approach to optimizing value of a sourcing approach
- In addition to a foundational understanding of the strategic sourcing approach relationship management skills are a critical enabler
- The power of the strategic sourcing process is in facilitating fact-based discussions with a cross-functional team using proven tools that drive towards recommended strategies
- Understanding the total cost of ownership for a category will help deliver greater overall value to stakeholders as well as understand where greater cost reduction opportunities may exist
- Porter's analysis is a powerful tool for driving towards a recommended category strategy in a thoughtful and fact-based approach helping create buy-in from internal stakeholders

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